



NORTH CAROLINA GENERAL ASSEMBLY

Session 2019

Fiscal Analysis Memorandum

CONFIDENTIAL

Requestor:
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RE: Utilities Commission HB 235

SUMMARY TABLE

FISCAL IMPACT OF H.B.235, V.2					
	<u>FY 2019-20</u>	<u>FY 2020-21</u>	<u>FY 2021-22</u>	<u>FY 2022-23</u>	<u>FY 2023-24</u>
State Impact					
Special Fund Revenues	10,125.0	10,125.0	10,125.0	10,125.0	10,125.0
<u>Less Expenditures</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special Fund Impact	10,125.0	10,125.0	10,125.0	10,125.0	10,125.0
NET STATE IMPACT	\$10,125.0	\$10,125.0	\$10,125.0	\$10,125.0	\$10,125.0

FISCAL IMPACT SUMMARY

H.B. 235, Sec. 23(a) increases the fee for non-utility applications for a Certificate of Public Convenience and Necessity (CPCN) from \$25 per application to \$250 per application. Based on a four-year history of non-utility applications for CPCNs, this fee increase will increase revenues to the Utilities Commission by \$10,125 per year. Because the Utilities Commission is entirely receipt supported, this change will have no General Fund impact.

FISCAL ANALYSIS

Any person who is not an electric public utility who owns a renewable energy facility that generates more than two (2) megawatts (MW) of electricity, and who seeks to sell the electricity that facility generates must apply for a Certificate of Public Convenience and Necessity (CPCN) through the North Carolina Utilities Commission. The CPCN application includes identifying information about the facility, the proposed technology, the capacity of the facility, and the anticipated time that the facility will begin generating electricity. The full CPCN application can be found on the Utilities Commission's website.



The Utilities Commission Public Staff reviews all CPCN applications and places them on the Utilities Commission agenda after review. Below is a history of CPCN applications filed by non-utility persons from 2015-2018:

Year	Number of CPCN Applications
2015	78
2016	72
2017	21
2018	11

The Utilities Commission anticipates an increase in the number of CPCN applications filed by non-utility persons as the implementation of the Competitive Procurement of Renewable Energy program continues.

A four-year average of CPCN applications by non-utility persons yields an average of 45.5 (rounded down to 45) applications per year that would be subject to a \$225 fee increase (from \$25 to \$250 per application). This would increase special fund revenue to the Utilities Commission by \$10,125 per year. Because the Utilities Commission is entirely receipt supported through regulatory and other fees, this change would have no impact on the General Fund.

TECHNICAL CONSIDERATIONS

N/A.

DATA SOURCES

FISCAL ANALYSIS MEMORANDUM – PURPOSE AND LIMITATIONS

This document is a fiscal analysis of a bill, draft bill, amendment, committee substitute, or conference committee report that is confidential under Chapter 120 of the General Statutes. The estimates in this analysis are based on the data, assumptions, and methodology described in the Fiscal Analysis section of this document. This document only addresses sections of the bill that have projected direct fiscal impacts on State or local governments and does not address sections that have no projected fiscal impacts. This document is not an official fiscal note. If a formal fiscal note is requested, please email your request to the Fiscal Research Division at FiscalNoteRequests@ncleg.net or call (919) 733-4910.

